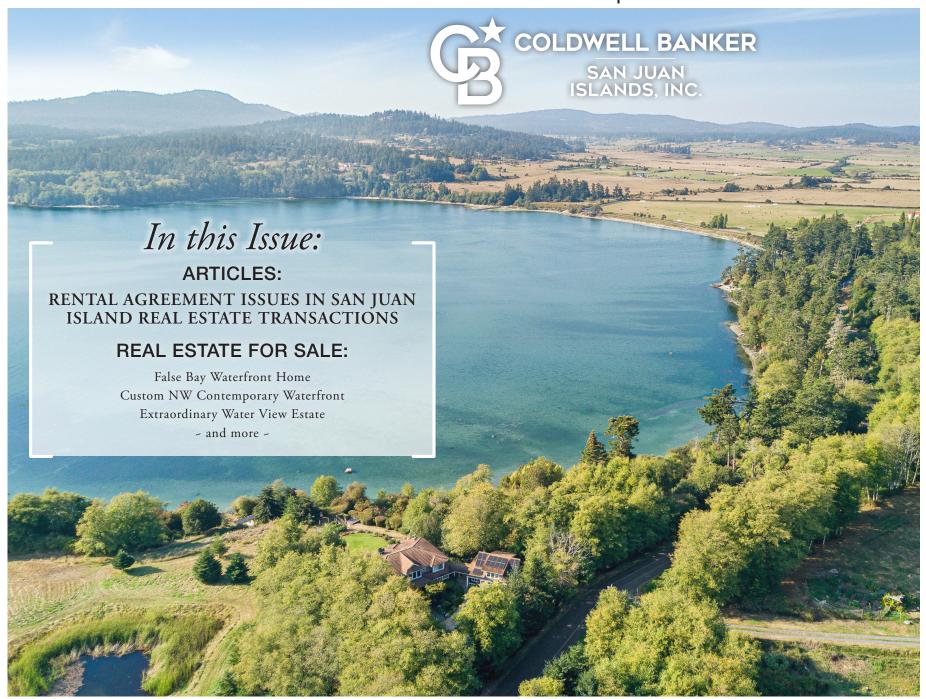
SAN JUANISLANDS REAL ESTATE TAB | OCTOBER 2025





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RENTAL AGREEMENT ISSUES IN SAN JUAN ISLAND REAL ESTATE TRANSACTIONS

It is not uncommon for a rental agreement to play a role in a real estate transaction. Timing can be everything and often the homes on the market are occupied by a tenant or sellers are unable to time the closing of their current home and the purchase of their next home. In some cases, our sellers are unable to relocate within the contract period. In these situations, a short-term delayed possession agreement is in order.

When buying a property that is currently occupied by a long-term tenant (month-to month or lease) the following provisions should be included in the contract so that it is clear that either; 1. The buyer inherits the tenant and lives happily ever after, or 2. The tenant has vacated by the time that the buyer takes possession of the property.

I typically write something in the contracts similar to the language below. This language has been approved by my attorney for my use only and other agents may have their own approved language. This language is just for the purpose of this article and should not be relied upon.

Tenant Vacates

Seller shall have the premises vacated by the current tenant prior to closing. Seller to give written notice to tenant of rental termination no later than 5 days of Buyer removing all contingencies, or earlier at seller's option. (Most notice periods are 90 days; however, the period is dictated by the rental agreement or law.) Seller to provide Buyer with the written evidence of notice to tenant. Seller to conduct all landlord responsibilities prior to closing, including but not limited to, vacation of premises, final walk-thru, final cleaning, security and damage deposit refunds and refund of any unused rents.

Closing is within 10 days of tenant vacation: however, in no event no later than xx/xx.

Tenant Remains

Buyer is purchasing subject to tenant's rights and will assume all landlord responsibilities at closing. At closing, the current month's rent shall be prorated and security and damage deposits and last months rent, it any, shall be transferred to Buyer.

Seller to provide Buyer a copy of the rental agreement within 10 days of mutual acceptance, Buyer shall have 3 days to approve or reject the rental agreement terms.

Options for Tenant Situations

It is always an option for the seller to "buy out" the tenant early to vacate the premises to accommodate their sale to a buyer. This process might be difficult/costly in our market as rental homes are few and far between. The tenant must agree to the "buy out" as they have legal rights to stay until expiration of the rental agreement or notice period.



WATERFRONT HOME ON BROWN ISLAND \$2.100.000 - LISTING ID 2324533



FALSE BAY WATERFRONT HOME \$3,300,000 - LISTING ID 2346749



EAST SIDE WATERFRONT HOME \$1.550.000 - LISTING ID 2344389



HOME ON ACREAGE \$950,000 - LISTING ID 2387122

It is also an option for a buyer that has signed a long term lease but found a home to purchase to negotiate a "buy out" with their landlord. Legally, they are obligated to pay all remaining rents due until lease expiration; however, some landlords will accept a settlement payment knowing that they will rent to another tenant right away and view the settlement payment as a bonus.

VRBO or AirBnB

If the buyer is purchasing a home subject to a vacation rental permit with future reservations under the VRBO or AirBnB platform, I used the following approved language:

Buyer acknowledges that Property has an active Vacation Rental permit and that there are currently several existing reservations to rent Property on various dates during the year.

Seller will provide a list of guest reservations and such contact information as VRBO and Airbnb have made available to Seller.

On closing, Seller will begin the process of canceling all existing reservations scheduled for occupancy after closing per the requirements of VRBO platforms. Seller will notify guests scheduled for those dates that the reservations are being canceled due to change of ownership and each guest will be informed that Buyer intends to continue to make Property available for Vacation Rental via VRBO and Airbnb. Guests will further be informed that they must immediately re-book their reservations via VRBO or Airbnb or risk losing the actual booking dates desired.

Buyers may not assume Sellers account on the VRBO or Airbnb platforms.

Buyer is aware that some or all guests may choose not to re-book, and that Seller is not liable for any loss of guests. Seller will work with the Buyer after closing to assist with the transition for ____ days.

Buyer acknowledges that to continue booking business they must have a hosting membership with VRBO and Airbnb. Further they understand that reservations may be canceled by the tenants at any time, there is no guarantee of rental income implied or offered...

To continue reading

Rental Agreement Issues in San Juan Island Real Estate Transactions

please visit our website:

www.sanjuanislandslifestyle.com/blog





WEST SIDE WATERFRONT HOME \$3,225,000 - LISTING ID 2344313





IN TOWN WATER VIEW CONDO \$1,475,000 - LISTING ID 2334078

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Listed for \$1,675,000 · Listing ID 2423034

It's all about location. Nestled at the water's edge, this custom 1984 NW Contemporary offers breathtaking views and a private pocket beach. Two bedrooms, 2 baths, 1985 SF, fireplace.



Listed for \$2,387,750 · Listing ID 2395174

Understated elegance in this architecturally pleasing 2142 +/- SF custom Cape Cod beach home. Lovely, private setting on over 1 acre, with tranquil and everchanging views into False Bay, amazing grounds, comm beach.



Listed for \$399,500 · Listing ID 2390825

Waterfront lot at Mineral Heights offers lovely views towards Orcas Island, San Juan Channel, boating activity. Beautifully treed and terraced lot, viewing platform. Comm water, beach. Newly installed 2 bed septic.



Listed for \$649,500 · Listing ID 2400376

Delightful, sunny, and private acreage near town offers so much! Gently terraced and over 5 acres, with mix of trees and pasture. Tidy 3 bedroom 2 bath manufactured home and site for second home cleared.



Sold for \$754,500

Mt Baker views from forested landscape with madrona and fir trees. This 1,646± sq ft home features main-floor primary bedroom and bath, a spacious loft with office area, half bath, and open-concept bedroom.

COLDWELL BANKER SAN JUAN ISLANDS, INC.



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Listed for \$14,950,000 · Listing ID 2255472

Waterfront overlooking Haro Strait & Olympic Mtns;
5788 sf custom home, 1165 sf guest cottage, two
3-bay garages, 4-bay service garage, D-Sal water
system.3.2 acres and 368 ft of shoreline. Turn-key!



Listed for \$5,550,000 · Listing ID 2348523
Incredible views and whale watching! 4517 sf home with 2 primary bedrooms, guest suite, studio, fiber optic, solar panels, 786 sf guest house, 3-bay garage, 2 water sources, garden, 6.7 acres, and beach rights.



Listed for \$2,495,000 · Listing ID 2160102

12 deer-fenced acres with a 3080 sf home, 675 sf log guesthouse with vacation rental permit, 600 sf studio, 140 sf studio, 550 sf detached garage, 3200 sf multipurpose shop, solar panels, garden, and a 2-acre lake.

